

Message Text

LIMITED OFFICIAL USE

PAGE 01 ANKARA 00965 071047Z

42

ACTION COME-00

INFO OCT-01 NEA-11 ISO-00 DRC-01 EUR-25 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01

PRS-01 SPC-03 SS-20 USIA-15 SAM-01 AID-20 EB-11

CIEP-02 TRSE-00 STR-08 OMB-01 CEA-02 /160 W

----- 089933

R 070823Z FEB 74

FM AMEMBASSY ANKARA

TO SECSTATE WASHDC 2700

INFO USMISSION NATO

AMCONSUL ISTANBUL

LIMITED OFFICIAL USE ANKARA 965

REF ANKARA 8902

1. SUMMARY: GUIDANCE REQUESTED ON COLLINS PROPOSAL THAT US GOVERNMENT CONVERT TURKISH LIRE IF COLLINS BID IS ACCEPTED. END SUMMARY.

2. EMBASSY HAS CONTINUED EFFORTS TO SUPPORT COLLINS BID ON TURKISH TELECOMMUNICATIONS PROJECT BY EMPHASIZING TO TURKISH PTT OFFICIALS CONFIDENCE IN TECHNICAL EXCELLENCE OF US EQUIPMENT AND OUTSTANDING REPUTATION OF US FIRM.

3. IN PAST FEW MONTHS, COLLINS BID, WHICH WE UNDERSTAND ON INITIAL PRICE EVALUATION WAS RATED FIFTH FOR RADIO RELAY PORTION OF PROJECT AND SIXTH FOR MULTIPLEX PORTION, HAS LOST FURTHER GROUND TO THREE ITALIAN FIRMS AMONG THOSE AHEAD OF IT ON RELAY PORTION AND TWO ITALIAN FIRMS AMONG THOSE AHEAD OF IT ON MULTIPLEX PORTION. THIS IS BECAUSE RECENT DEVALUATION OF ITALIAN LIRE IMPROVES ITALIAN BIDS BY 5 PERCENT ON BASIS TURKISH LIRE CONVERSION.

4. COLLINS REPRESENTATIVE (LANEHAN AND KANALY) DISCUSSED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ANKARA 00965 071047Z

SITUATION AGAIN WITH ECONOMIC/COMMERCIAL COUNSELOR FEBRUARY

6. THEY ARE LOOKING VERY CAREFULLY FOR WAYS TO ENHANCE THEIR BID DESPITE WORSENER PRICE GAP. (PTT HAS FOR INSTANCE CALLED IN FOUR LEADING FIRMS FOR ADDITIONAL DETAILS BUT HAS NOT APPROACHED COLLINS.) COLLINS OFFICIALS SEE TWO POSSIBILITIES OF MAKING BID MORE ATTRACTIVE, I.E., BY OFFERING TO ACCEPT PAYMENT ENTIRELY IN TURKISH LIRE OR BY ALLOWING GOT LONGER PERIOD IN WHICH TO MAKE PAYMENT. THEY ASKED US VIEWS ON FIRST OF THESE IDEAS.

5. THEY SAID THEY DISCUSSED THIS PROPOSAL WITH US TREASURY DEPARTMENT, INTERNATIONAL AFFAIRS OFFICE (HENRY LEE).

REPORTEDLY TREASURY OFFICIALS SAID IF COLLINS ACCEPTS PAYMENT IN TURKISH LIRE, TREASURY WILL BE PREPARED TO BUY THEM ON SAME DAY PROVIDED (A) US GOVERNMENT WILL NOT INCUR A LOSS ON THE PURCHASE AND (B) TURKISH GOVERNMENT DOES NOT OBJECT. E/COMM COUNSELOR SAID HE ASSUMES THAT LATTER POINT MEANS TURKISH GOVERNMENT WOULD NOT OBJECT TO TURKISH LIRE IN QUESTION THEN BEING USED FOR US GOVERNMENT REGULAR EXPENDITURES IN TURKEY IN LIEU OF US GOVERNMENT CONVERTING DOLLAR INSTRUMENTS IN USUAL WAY TO OBTAIN LIRE FOR SUCH PURPOSES.

6. E/COM COUNSELOR SAID HE APPRECIATED DETERMINATION OF COLLINS TO HAND IN AND EXPLORE EVERY OPPORTUNITY OF ENHANCING THEIR BID. HE REPEATED THAT EMBASSY IS PREPARED SUPPORT COLLINS BID IN EVERY APPROPRIATE WAY. HOWEVER, HE DOUBTED GOT WOULD SEE ANY ADVANTAGE TO ITSELF IN SUCH ARRANGEMENT EVEN IF US TREASURY WERE AGREEABLE. SAID PROPOSAL MIGHT CONCEIVABLY BE ATTRACTIVE TO GOT IF COLLINS WERE TO ACCEPT TURKISH LIRE IN PAYMENT AND USE THEM FOR SOME APPROVED INVESTMENT IN TURKEY THAT WOULD NOT DEFLECT ANY NORMALLY EXPECTED INFLOW OF US OR OTHER FOREIGN EXCHANGE. COLLINS OFFICIALS ACCEPTED THESE POINTS BUT SAID GOT OFFICIALS MIGHT SEE SOME PSYCHOLOGICAL ADVANTAGE SIMPLY BY BEING ABLE TO PAY FOR CONTRACT SOLELY IN TURKISH LIRE. E/COM COUNSELOR SAID HE PERCEIVED OTHER DIFFICULTY FOR US GOVERNMENT IN THAT WE COULD NOT SERVE AS INTERMEDIARY FOR CONVERTING TURKISH LIRE FOR EVERY OTHER US FIRM THAT MIGHT BE IN SIMILAR POSITION. EVEN IF GOT SHOULD AGREE, WHICH WOULD NOT SEEM LIKELY, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ANKARA 00965 071047Z

AMOUNT OF LIRE INVOLVED WOULD BE FAR GREATER THAN WE COULD HANDLE.

7. EMBASSY WOULD APPRECIATE WASHINGTON GUIDANCE FOR USE IN EVENT COLLINS OFFICIALS SEEK TO GO AHEAD WITH PROPOSAL OUTLINED ABOVE. MACOMBER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 07 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ANKARA00965
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740250/aaaabutt.tel
Line Count: 113
Locator: TEXT ON-LINE
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: ANKARA 8902
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 AUG 2002 by boyleja>; APPROVED <04-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: BEXP, TU
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005